

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To: All Providers
Managed Care Plans
Regional Administrators
CSO Administrators

Memorandum No: 03-62 MAA
Issued: September 3, 2003

For Information Call:
1-800-562-6188

From: Douglas Porter, Assistant Secretary
Medical Assistance Administration (MAA)

Subject: Billing Changes Necessary For Health Insurance Portability and Accountability Act (HIPAA) Compliance

Effective for dates of service on and after October 16, 2003, the following HIPAA-related changes will apply for claims submitted to the Medical Assistance Administration (MAA):

- All state-assigned procedure codes and modifiers must be discontinued or replaced;
- Two-digit place of service codes will be required on claims;
- Type of service codes will no longer be required on claims;
- Only ICD-9-CM diagnosis codes will be recognized as valid; and
- Billing Comments.

Coding Changes

The Health Insurance Portability and Accountability Act (HIPAA) requires all healthcare payers to process and pay electronic claims using standardized formats and codes. In order to comply with HIPAA requirements, MAA will *discontinue* all state-assigned codes and modifiers and will require the use of applicable Current Procedural Terminology (CPT), Healthcare Common Procedure Coding System (HCPCS), and Current Dental Terminology (CDT-4) procedure codes. Claims billed with state-assigned procedure codes with dates of service after October 15, 2003, will be denied.

For many providers, state-assigned codes have been discontinued in memoranda received in the past few months. For other coding changes, memoranda will be published as changes are finalized.

Modifiers

When billing instructions or memoranda indicate a specific modifier is necessary to make the appropriate payment, this specific modifier must be retained in the first position on the detail line, and if there are other required modifiers per MAA's provider billing instructions, they should be billed in the 2nd through 4th position of the modifier field. If there are multiple payment modifiers, see MAA's provider billing instructions for the use of modifier 99.

Place of Service

The one-digit place of service (POS) code used on professional claims to specify the entity where services were rendered is being replaced by a two-digit code. The POS codes most commonly used to bill MAA are listed below:

Place of Service Code	Description
03	School
11	Office
12	Home
21	Inpatient Hospital
22	Outpatient Hospital
23	Emergency Room - Hospital
24	Ambulatory Surgical Center
25	Birthing Center
31	Skilled Nursing Facility
32	Nursing Facility
34	Hospice
41	Ambulance – Land
42	Ambulance – Air or Water
50	FQHC
81	Independent Lab
99	Other Place of Service Not Identified

Type of Service

Under HIPAA, type of service codes will no longer be required.

Diagnosis Codes

Only ICD-9-CM diagnosis codes will be considered valid. Claims submitted with state-unique diagnosis codes will be denied.

Billing Comments

Frequently, MAA asks providers to place additional information in the:

- "Comments/Remarks" field of our current electronic (ECS) claim;
- Box 19 on the HCFA-1500 claim; or
- Form locator 84 on a UB-92 claim form.

For example:

- When a "B" is used to indicate that services were provided to a baby on the mom's PIC.
- When billing for general anesthesia on a dental claim, you might indicate actual beginning and ending times and total number of minutes for the anesthesia.
- For institution claims, when billing baby on mom' PIC, indicate baby's birth date and birth weight (grams) or for trauma claims, when indicating the Injury Severity Score (ISS).
- When using comments such as "not a duplicate," "not related to a terminal illness," and to note "permanent condition."

For a HIPAA-compliant (ANSI ASC X12N) electronic transaction, please enter this information in the "Claim Note" loop. For further information, visit the following website: http://www.acs-gcro.com/Medicaid_Accounts/Washington_State_Medicaid/Companion_Guides/companion_guides.htm

Additional Information

Additional HIPAA information can be viewed on MAA's website at <http://maa.dshs.wa.gov> (click on Health Insurance Portability and Accountability Act on the left-hand side of the page).

To obtain this document electronically, go to MAA's website at <http://maa.dshs.wa.gov> (click on the Provider Publications/Fee Schedules link).